IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.499 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO.566 OF 2007

IN THE MATTER OF THE SCHEME OF ARRANGEMENT

Hikal Limited .. Petitioner Company

Mr.Rajesh Shah i/b.Rajesh Shah & Co. for petitioner.
Mr.C.J.Joy with Mr.G.C.Mishra - R.D.

CORAM : D.B.BHOSALE, J.

DATE : 21st September, 2007.

P.C.:

1. Heard learned counsel for the petitioner.

2. The sanction of the Court is sought to a scheme of Arrangement as set out in paragraph 5 of the Scheme which is reproduced in paragraph 6 of the petition under Sections 391 to 394 of the Companies Act, 1956.

3. Counsel appearing on behalf of the petitioner

submitted that the company has issued 12000, 0.5% Foreign Currency Convertible Bonds (FCCB) of 1000$ each aggregating to Rs.539.16 Million. The premium on redemption of FCCB is to be provided on year to year basis. This premium on redemption of FCCB is being provided for in the accounts of the company by way of deduction from Share Premium Account. The balance in share premium account of the company is exhausted in June, 2006. There is a balance in Capital Redemption Reserve Account of Rs.4.00 crores and in Contingency Reserve Account of Rs.3.00 crores, which can be utilised for the purpose of making provision of premium payable on redemption of FCCB. Hence, the petitioners have filed the present petition.

4. By this petition, petitioner is seeking permission of this Court for utilization of the aforesaid amount for the purpose of making provision of premium payable on redemption of FCCB. The petitioner company is a listed company. The petitioner company has obtained No Objection Certificates from the Bombay Stock Exchange and National Stock Exchange of India Limited. The company had convened a meeting of all the equity shareholders on 14th June, 2007 which has approved the scheme of arrangement unanimously. All the secured creditors have given their

consent letters. Similarly, all the unsecured creditors have also approved the scheme unanimously in its meeting held on 14th June, 2007.

5. The proposed utilisation of Capital Redemption Reserve and Contingency Reserve of the company as aforesaid shall be effected as a part of the proposed scheme of Arrangement only and the same does not involve either diminution of liability in respect of unpaid share capital or payment of any shareholder of any paid up share capital. Even the interest of the creditors of the company are not affected by such reduction.

6. Upon perusal of the entire material on record the scheme appear to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned have come forward to oppose the scheme. Moreover, the Regional Director has stated that the scheme as proposed is not contrary to the public interest or prejudicial to the interest of the shareholders or creditors.

6. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled,

company petition No.499 of 2007 is made absolute in terms of prayer clauses (a) to (d).

7. The petitioner company to pay costs of Rs.2,500/- to the Regional Director within a period of four weeks from today.

8. Filing and issuance of drawn up order is dispensed with.

9. All authorities concerned to act on a copy of this order duly authenticated by the Registry.

(D.B.Bhosale, J.)